**Import of edible oil**

†868. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that certain recommendations were made by the Directorate of Edible Oil with regard to the process of import of edible oil under the Free Trade Agreement between India and Sri Lanka;

(b) whether Government had issued a Public Notice on 2nd June, 2006 regarding the process of importing edible oil under the said trade agreement in which only NAFED was allowed to import; and

(c) whether all the rights of imports have been handed over to the Directorate General, Foreign Trade in place of NAFED on 21st November, 2006; if so, the reasons for acting contrary to the assurance given in the Parliament?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (c) Department of Food & Public Distribution under the administrative control of which Directorate of Vanaspati, Vegetable Oils & Fats is functioning, was consulted before the Tariff Rate Quota for import of vanaspati under India Sri Lanka Free Trade Agreement (ISLFTA) was finalised. The Public Notice No. 17 (RE-2006) 2004-05 dated 2.6.2006 through which NAFED was made the canalising agency for the import of vanaspati from Sri Lanka under ISLFTA, was issued while the negotiations were in progress for fixing the Tariff Rate Quota for its import. Under ISLFTA, vanaspati including bakery shortening and margarine were imported at duty free and without any quantitative restrictions. Tariff Rate Quota (TRQ) for import of these items under ISLFTA was being negotiated with Sri Lanka for a long time and both sides were unable to come to any agreement. Hence, NAFED was notified as canalizing agency for import of these items.

Thereafter, both sides deliberated on the issue and a package deal covering vanaspati, bakery shortening, margarine and pepper was arrived at. These were TRQ of 2.5 lakh MT per annum of Vanaspati, Bakery Shortening and Margarine and 2500 MT per annum for pepper in terms of Public notice No. 69(RE-2006)/2004-09 dated 21st November, 2006,

† Original notice of the question was received in Hindi

issued by Director General of Foreign Trade (DGFT) enabling DGFT to facilitate and monitor the import of vanaspati, bakery shortening and margarine. Therefore, the Public Notice No. 17(RE-2006)/2004-09 dated 2.6.2006 was withdrawn subsequently. Thus, the Government was able to negotiate a package which has since been accepted by Sri Lanka thereby restricting the import quantities of Vanaspati including Bakery Shortening/Margarine and Pepper to mitigate the damage to domestic industry and farmers.

## Duty free access to American market

869. SHRIMATI N.P. DURGA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the U.S. Trade Representative had identified India as one of the six countries, not to extend duty free access to American market from 2007 under the revamped Generalised System of Preferences of US;

(b) if so, the details of items that are going to lose the benefit of duty free; and

(c) how the Ministry is planning to grapple with the problem?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) The Generalised System of Preferences (GSP) Scheme of the US, which was to expire on December 31, 2006 has been extended till December 31, 2008 with some amendments. The GSP Scheme provides for a periodical review of the Scheme as a result of which a country can be graduated from the Scheme (meaning thereby the country ceases to get benefits under the Scheme) or certain products of the country can be graduated from the Scheme on the basis of the prescribed thresholds. The GSP benefit for two years is available to all the eligible developing countries, including India.

(b) during the 2006 Annual Review for products under GSP, the U.S. Trade Representative (USTR) has proposed to review the following items for India:—

(i) Precious metal articles of jewellery;